EXPLANATORY MEMORANDUM TO THE

THE NON-DOMESTIC RATING (STUD FARMS)(ENGLAND) ORDER 2004

2004 No.3151

1. This explanatory memorandum has been prepared by the Office of the Deputy Prime Minister and is laid before Parliament by Command of Her Majesty.

2. Description

This Order makes provision to raise the current thresholds for non-domestic rate relief for stud farms.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative Background

This Order is being made under the powers in sections 143(2) of, and paragraph 2A of Schedule 6 to, the Local Government Finance Act 1988.

5. Extent

This instrument applies to England only.

6. European Convention on Human Rights

Not applicable.

7. Policy background

7.1 Schedule 6 to the Local Government Finance Act 1988 provides for reductions from the amount that would otherwise be the rateable value of hereditaments used for breeding horses etc. The Non-Domestic Rating (Stud Farms) (England) Order 2001 specifies the maximum amount of the deduction as £3,000.

7.2 In July 2004, the Government announced the overall trends arising from the revaluation of businesses that is due to take effect from 1st April 2005. Data produced by the Valuation Office Agency indicated an overall increase of 17.9% in rateable values across England. This figure has now been refined to 17.7%.

7.3 This amendment increases from £3,000 to £3,500 the maximum deduction from the amount which would otherwise be the rateable value of these hereditaments. It reflects the overall increase of 17.7% in rateable values across England.

8. Impact

A Regulatory Impact Assessment is not required for this instrument as the relief is being uprated in line with the change in rateable values across England.

9. Contact

Peter Reilly at the Office of the Deputy Prime Minister (Tel: 020 7944 4197 or e-mail: Peter.Reilly@odpm.gsi.gov.uk) can answer any queries regarding the instrument.